

1 KENNETH B. WILSON (SBN 130009)
ken@coastsidelegal.com
2 COASTSIDE LEGAL
455 1st Avenue
3 Half Moon Bay, California 94019
Telephone: (650) 440-4211

5 JOSHUA M. MASUR (SBN 203510)
jmasur@zuberlaw.com
6 ZUBER LAWLER & DEL DUCA LLP
7 2000 Broadway Street, Suite 154
Redwood City, California 94063
Telephone: (650) 434-8538
Facsimile: (213) 596-5621

ZACHARY S. DAVIDSON (SBN 287041)
z davidson@zuberlawler.com
ZUBER LAWLER & DEL DUCA LLP
350 S. Grand Ave., 32nd Fl.
Los Angeles, California 90071
Telephone: (213) 596-5620
Faxsimile: (213) 596-5621

12 Attorneys for Defendant
13 REDBUBBLE INC.

**UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION**

18 ATARI INTERACTIVE, INC.,
19 Plaintiff,
20 v.
21 REDBUBBLE, INC.,
22 Defendant

Case No. 4:18-cv-03451-JST

**DEFENDANT REDBUBBLE INC.'S
NOTICE OF CROSS-MOTION AND
CROSS-MOTION FOR SUMMARY
JUDGMENT AND OPPOSITION TO
PLAINTIFF'S MOTION FOR SUMMARY
JUDGMENT; MEMORANDUM OF
POINTS AND AUTHORITIES**

[Filed concurrently with Supporting Declarations]

Judge: Hon. Jon S. Tigar
Date: July 15, 2020
Time: 2:00 p.m.
Crtrm.: 6

1 **TO PLAINTIFF AND ITS COUNSEL OF RECORD:**

2 **PLEASE TAKE NOTICE THAT** on July 15, 2020, at 2:00 p.m. or as soon thereafter as
3 the matter may be heard, defendant Redbubble Inc. (“Redbubble”) will move, and hereby moves,
4 for Summary Judgment on Plaintiff Atari Interactive, Inc.’s (“Plaintiff’s”) Complaint, and for
5 partial summary judgment on each claim therein, as well as on Redbubble’s DMCA defense,
6 Plaintiff’s prayer for enhanced damages based on trademark counterfeiting, on Plaintiff’s request
7 for enhanced remedies due to willful infringement, and for any form of damages on any claim.
8 This motion will be heard in the courtroom of the Honorable Jon S. Tigar, located in the United
9 States Courthouse, 1301 Clay Street, Oakland, CA 94612, Courtroom 6.

10 This Motion is made upon the ground that there are no genuinely disputed issues of
11 material fact, and Redbubble is entitled to judgment as a matter of law on each claim and issue on
12 which it has moved, with the exception of the motion as it is directed to all forms of damages,
13 which is made on upon the ground that Plaintiff has failed to provide any disclosure or meaningful
14 discovery relating to its damages claim, and therefore must be precluded from making such
15 disclosures or disclosing such evidence for the first time at trial.

16 This Motion is based on this Notice of Motion, the attached Memorandum of Points and
17 Authorities, the Declarations of Anuj Luthra, Arnaud Deshais, James Toy, Kate Rickert, and
18 Kenneth Wilson filed concurrently herewith, all of the pleadings, files, and records in this
19 proceeding, all other matters of which the Court may take judicial notice, and any argument or
20 evidence that may be presented to or considered by the Court prior to its ruling.

21

22 Dated: May 27, 2020.

COASTSIDE LEGAL
KENNETH B. WILSON

23

ZUBER LAWLER & DEL DUCA LLP
JOSHUA M. MASUR
ZACHARY S DAVIDSON

24

By: /s/ Kenneth B. Wilson

Kenneth B. Wilson
Attorneys for Defendant
Redbubble Inc.

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Case No. 4:18-cv-03451-JST

DEFENDANT REDBUBBLE INC.’S CROSS-MOTION FOR SUMMARY JUDGMENT AND
OPPOSITION TO PLAINTIFF ATARI’S MOTION FOR SUMMARY JUDGMENT

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

As a matter of law, Redbubble is not liable for trademark infringement, counterfeiting, or copyright infringement when independent third-party sellers upload and sell allegedly infringing products through Redbubble's online marketplace ("Accused Products"), without Redbubble's knowledge or direct involvement. The issues raised in this case are significant; indeed, were Plaintiff's legal theories adopted and online marketplaces liable for each of their millions of listings, it could have a disastrous effect on the viability of businesses like the Amazon Marketplace, Craigslist, eBay and Etsy. But the cases addressing liability for Internet marketplaces in general, and Redbubble in particular, have overwhelmingly rejected Plaintiff's approach.

Plaintiff does not and cannot claim that Redbubble engages in any volitional conduct with respect to any product offered through its marketplace, as required for direct copyright and trademark infringement; indeed, one court has held that Redbubble cannot be liable for direct trademark infringement because it does not make, offer, advertise or sell accused products. *See The Ohio State University v. Redbubble Inc.*, 369 F. Supp. 3d 840 (S.D. Ohio 2019) (granting summary judgment on direct trademark infringement and unfair competition). Redbubble cannot be liable for contributory copyright or trademark infringement because it has uniformly removed allegedly infringing listings promptly upon receiving notice. Redbubble cannot be vicariously liable for infringement because it lacks the type of relationship with or control over the alleged third-party infringers. Redbubble cannot be liable for copyright infringement damages because Redbubble is entitled to the safe harbor protections of Section 512(c) of the Digital Millennium Copyright Act ("DMCA"). And Redbubble cannot be liable for counterfeiting or willful infringement for third-party sales of Accused Products 1) that Redbubble never handles or even sees; 2) for which third-party sellers have represented that they own the relevant rights; and 3) that are not copies of products on which Plaintiff uses its registered marks.

Redbubble agrees with Plaintiff that there are no genuinely disputed material facts, but those facts entitle Redbubble, not Plaintiff, to judgment as a matter of law. Accordingly, Redbubble's motion for summary judgment should be granted, and Plaintiff's motion denied.

1 **II. STATEMENT OF FACTS**

2 **A. Background of Defendant Redbubble**

3 Like the Amazon Marketplace, the Redbubble Marketplace is a global online platform,
 4 hosted at redbubble.com. [Toy Decl. Exh. A] Founded in 2006, and the wholly-owned subsidiary
 5 of a publicly traded Australian company, Redbubble was formed to “[g]ive independent artists a
 6 meaningful new way to sell their creations.” [Toy Decl. Exhs. A-B] These artists use the
 7 Redbubble Marketplace to upload and sell their creative designs on high-quality, everyday
 8 products such as T-shirts, mugs, phone cases and stickers. [Toy Decl. Exh. A]

9 The Marketplace software automatically facilitates transactions. It software automatically
 10 connects third-party artists or “Sellers” to third-party manufacturers, who print and pack the
 11 products for third-party shippers to deliver to customers, and provides those Sellers with access to
 12 third-party payment processors. [See Luthra Decl. ¶¶ 3, 8, 11-12; Deshais Decl. ¶¶ 2-6] This
 13 transaction process is entirely Seller-directed and automated. [Luthra Decl. ¶¶ 3, 11-12] No
 14 Redbubble personnel designed, uploaded, manufactured, offered for sale, sold, handled,
 15 distributed, advertised, or even viewed any of the Accused Products prior to their sale. [Deshais
 16 Decl. ¶ 11] Currently, there roughly 2,260,000 third-party Sellers, who have uploaded 28,364,660
 17 product listings to the Redbubble Marketplace. [Rickert Decl. ¶¶ 2-3]

18 **B. Redbubble Does Not Design or Upload Content Sold on the Marketplace**

19 Redbubble did not design or upload any of the Accused Products. Rather, all listings on the
 20 Redbubble Marketplace are designed and uploaded solely by third-party Sellers, without any
 21 participation by Redbubble. [Luthra Decl. ¶¶ 6-8; Deshais Decl. ¶¶ 9-11] Redbubble was unaware
 22 of the content of those listings and was not involved in the Sellers’ decisions to offer them. [*Id.*]

23 Only registered users can upload and sell creative products on the Redbubble Marketplace.
 24 [Luthra Decl. ¶ 4] To register, users must agree to the Redbubble User Agreement and policies
 25 that explicitly require that Sellers possess the rights to upload and sell the work, and that the
 26 Seller, not Redbubble, is responsible for and has exclusive control over the content of each listing.
 27 [Toy Decl. ¶ 5, Exh. C] Each time Sellers create a listing, they must specify the physical product
 28 type(s) to which it may be applied; must set the sale price; may also input a title, keyword “tags,”

1 and a description; and must explicitly confirm that they “have the right to sell products containing
 2 this artwork, including (1) any featured company’s name or logo, (2) any featured person’s name
 3 or face, and (3) any featured words or images created by someone else.” [Luthra Decl. ¶¶ 5-6]

4 Sellers input the required data into the template to create a page that displays information
 5 specific to their product listing, along with certain generic text and images that are automatically
 6 generated by the software. [Toy Decl. ¶ 31] The Seller-created page displays the image uploaded
 7 by the user on a stock image based on the product type specified by the Seller, without regard to
 8 the specific design used, and without any knowledge or involvement by Redbubble. [*Id.*]

9 Once the Seller creates the Marketplace listing page, it is automatically displayed for sale
 10 among the millions of product listings on the Marketplace. [Luthra Decl. ¶ 8; Deshais Decl. ¶ 11]
 11 Potential customers may search for listings containing content of interest based on the keyword
 12 tags and title, which are created solely by the uploading Seller – not Redbubble. [Luthra Decl. ¶ 7]

13 C. **Redbubble Did Not Sell or Offer to Sell the Accused Products**

14 The agreements between Redbubble and Sellers specify that the Sellers, not Redbubble,
 15 offer and sell products. Redbubble’s User Agreement describes how the Marketplace enables
 16 Sellers “to publish, sell, discuss and purchase art;” includes a section entitled “Offering your art
 17 for sale on a physical product” that describes how a Seller “may offer their art for sale on a
 18 physical product on the website by appointing Redbubble to facilitate the transaction....;” and
 19 refers to Sellers, not Redbubble, offering products for “sale.” [Toy Decl. Exh. C] Sellers
 20 acknowledge that they “wish to use Redbubble’s services to facilitate marketing and sale of [their]
 21 art on a physical product....;” agree in a section entitled “Sale of your products” that they
 22 determine the product price; and expressly confirm they are “the seller of the merchandise.” [*Id.*]

23 The listing pages further confirm that the products sold via the Marketplace are offered by
 24 third-party Sellers, not Redbubble. The search results pages specify that each listing is “by” or
 25 “designed by” the third-party Seller, and each listing page identifies the third-party Seller both
 26 below and to the right of the image, followed by a selection of the seller’s other listings, if any,
 27 and a link to “[Seller’s] Shop.”¹ [Toy Decl. ¶¶ 31-32, Exhs. F-G]

28 ¹ Plaintiff cut off the lower part of the page from its purported “reproduction” of a Redbubble
 Case No. 4:18-cv-03451-JST

1 The Marketplace software allows third-party processors like PayPal, Stripe, or Amazon
 2 Payments to receive payment from customers. [Luthra Decl. ¶ 11] The software automatically
 3 credits the Seller-established margin to the Seller's account, less Redbubble's fixed service fee,
 4 which varies by product type but is independent of the Seller's price.² [Id.; Toy Decl. ¶ 28]

5 Redbubble never took control of or title to the Accused Products. Rather, as specified at
 6 Section 3.5 of Redbubble's Services Agreement, “[a]ll items purchased from the website are
 7 manufactured pursuant to arrangements with third party suppliers under [Seller's] instructions.
 8 This means that title and risk for loss for such items pass from [Seller] to the customer/purchaser
 9 without passing through [Redbubble].” [Toy Decl. Exh. C]

10 **D. Redbubble Does Not Print, Package, Manufacture or Ship Products**

11 Once an order is placed, the Marketplace software automatically forwards the order
 12 information on behalf of the Seller to a third-party Manufacturer based on criteria like the delivery
 13 location and product type. [Luthra Decl. ¶ 12] These Manufacturers are independent of
 14 Redbubble; they are not affiliates of Redbubble, and Redbubble neither owns the manufacturing
 15 facilities or equipment nor employs any of the personnel. [Deshais Decl. ¶¶ 4-5, 11]

16 Upon receipt of an order, the Manufacturer imprints the design onto a blank product from
 17 the Manufacturer's own inventory, without any input or involvement from Redbubble. [Deshais
 18 Decl. ¶ 2] Redbubble personnel do not review artwork prior to printing, participate in
 19 manufacturing, pack or ship printed products, or perform pre-shipment quality control. [Deshais
 20 Decl. ¶ 11] After a product is printed, a third-party shipper picks it up and ships the product
 21 directly to the customer. [Deshais Decl. ¶ 6] At all relevant times, the product remains with third-
 22 parties; Redbubble does not possess, handle, or even see the products. [Deshais Decl. ¶¶ 7, 9, 11]

23
 24 listing page [Motion p. 7], as that image omits the name of the seller that appears below the
 25 “Features” box; additional listings by the same Seller; the link to “View [Seller's] Shop;” and the
 26 Seller-input tags near the bottom of the page. [See, e.g., Toy Decl. ¶¶ 31, 33, Exh. I]

27 ² Plaintiff falsely asserts, with no evidentiary support, that Redbubble “keeps a much larger
 28 amount “than the third-part fulfillers and Sellers receive. [Plaintiff's Motion at 3] Redbubble
 receives a set fee for providing its facilitation services, which is averages out to be about the same
 amount as the fulfills' fee. [See Rickert Decl. Exhs. A-B] Sellers set their own price or margin,
 and therefore keep as much as profit as they choose. [Luthra Decl. ¶ 6]

1 When an order is placed and paid in full, the purchaser receives an automated confirming
 2 email generated automatically by the Marketplace software containing a summary of the order,
 3 including the Seller's name for each product sold, asking for feedback to the Seller "artists," and
 4 providing comments from the Seller (such as "Thank You").³ [Dkt. 64-77] This email is
 5 substantively the same as confirming emails sent by other marketplaces. [Wilson Decl. Exhs. D-E]

6 **E. Redbubble's Substantial Efforts to Combat Piracy**

7 There is a risk that bad actors will abuse any marketplace, including by attempting to sell
 8 unauthorized or counterfeit products. However, Redbubble has taken significant steps, in excess of
 9 its legal obligations, to prevent such abuses, and has devoted substantial resources toward
 10 eliminating third-party infringement on the Marketplace. [Toy Decl. ¶¶ 8-24]

11 As discussed above, Redbubble requires Sellers to represent that they own and/or have the
 12 right to sell the content that they upload and "will not infringe the intellectual property rights or
 13 any other rights of any person or entity," when they register as users and every time they upload
 14 listings. [Toy Decl. Exh. C; Luthra Decl. ¶ 5] Redbubble enforces these commitments in
 15 accordance with a detailed IP/Publicity Rights Policy. [Toy Decl. ¶ 6, Exh. D] Under that policy,
 16 modeled on the DMCA (17 U.S.C. § 512), if Redbubble receives notice that particular listings
 17 infringe a third-party's intellectual property rights, Redbubble promptly (typically within one
 18 business day) removes those listings and notifies the Seller. Redbubble will also "disable and/or
 19 terminate ... users who repeatedly infringe or are ... charged with infringing the copyrights,
 20 trademark rights, other intellectual property rights or publicity rights of others." [Toy Decl. ¶¶ 6-7,
 21 Exh. D] Redbubble has received over 94,500 takedown requests from content owners, and
 22 pursuant to those requests, Redbubble has removed more than 780,000 listings. [Rickert Decl. ¶ 4]

23 In addition, although it has no legal obligation to do so, Redbubble's 13-person
 24 Marketplace Integrity ("MPI") Team proactively polices for potential infringement of rights
 25 belonging to Plaintiff and over 300 other content owners, including some of the largest in the
 26 world. [Toy Decl. ¶ 24] The MPI Team uses proprietary software tools to search listings,

27
 28 ³ As with the image of the product listing page, Plaintiff's "reproduction" of the confirmation in its brief cuts off the lower portions of the page referring to the Seller.

1 comparing Seller-generated titles, tags, and descriptions to identifying information provided by
 2 content owners.⁴ [Luthra Decl. ¶¶ 13-14; Toy Decl. ¶ 10] The MPI Team manually reviews
 3 identified search results, including images of artwork, to determine whether a listing violates
 4 policing guidelines created by Redbubble, typically with content owner assistance. [Luthra Decl.
 5 ¶¶ 13-14; Toy Decl. ¶ 12-18] The MPI Team then promptly removes or prevents any listing that
 6 violates the guidelines from appearing on the site proactively and without receiving a specific
 7 takedown notice from the rightsholder. [*Id.*] The third-party Seller is automatically notified upon
 8 removal and is otherwise treated in accordance with the IP/Publicity Rights Policy. [Toy Decl. ¶
 9 15] Redbubble also uses a combination of proprietary and third-party software to identify high-
 10 volume or repeated abusers of the User Agreement. [Toy Decl. ¶ 19-23] When these tools identify
 11 high-risk behavior or characteristics, they may automatically disable the account and remove it
 12 from the Marketplace or put it on a watch list to be monitored by the MPI Team. [*Id.* ¶ 22-23]

13 Redbubble's MPI team proactively policies for about 2,300 individual properties, and on an
 14 average day, reviews over 6,700 new designs – about one-quarter of those uploaded that day. [Toy
 15 Decl. ¶ 24; Rickert Decl. ¶ 6] To date, proactive policing has resulted in the disabling or removal of
 16 nearly four million listings from the Redbubble Marketplace. [Rickert Decl. ¶ 9] And Redbubble has
 17 disabled and/or terminated almost 680,000 Seller accounts for violation of Redbubble policies,
 18 including its IP/Publicity Rights Policy. [*Id.* ¶ 10] Redbubble has disabled or removed approximately
 19 670 listings under its proactive removal guidelines for Atari. [Rickert Decl. ¶ 8]

20 **F. Background of This Dispute**

21 Plaintiff claims to have obtained copyrights – in video games and visual elements thereof,
 22 including Centipede, Asteroids, Pong, and Breakout – and trademark rights – including the Atari
 23 name and logo, the Centipede, Asteroids, Pong, and Breakout names and graphics, and the look
 24 and feel of the Atari 2600 gear – as well as its corporate name, from the eponymous company that
 25 created them. Plaintiff holds federal registrations for marks, including a design mark with the Atari
 26 name and a word mark “Pong.” In December, 2011, Plaintiff sent a takedown notice for a single

27 ⁴ When a content owner, like Plaintiff, does not collaborate with Redbubble by providing a
 28 complete list of what it believes its protected content is – logos, trademarks, characters, etc. –
 Redbubble must use its best judgment as to what terms to use. [Toy Decl. ¶ 11]

1 listing that allegedly used visual elements of the Asteroids game. Redbubble removed the listing
 2 that day and notified Plaintiff accordingly. [Toy Decl. Exh. E] On June 11, 2018, over six years
 3 after its last communication, Plaintiff filed its Complaint in this action, asserting claims for direct,
 4 contributory and vicarious trademark infringement, trademark counterfeiting, unfair competition,
 5 false designation of origin, and direct, contributory and vicarious copyright infringement. [Dkt. 1]

6 Upon receiving notice of the Complaint, Redbubble disabled all of the listings it identified.
 7 [Toy Decl. ¶ 26] Redbubble also began and continues proactively policing for Plaintiff's content,
 8 although Plaintiff's refusal to cooperate in these efforts to date makes that more difficult. [Toy
 9 Decl. ¶ 27] Nonetheless, Redbubble's policing efforts are empirically successful: since inception
 10 of suit, there have been less than \$1000 in sales of products removed due to Atari IP concerns, the
 11 vast majority of which are not even arguably infringing. [See Rickert Decl. Exh. B, lines 3623-
 12 4000] Total sales through the Redbubble Marketplace of listings that Redbubble has removed in
 13 response to Atari's specific IP complaints have been about \$42,000, and Redbubble's service fees
 14 from those transactions total under \$20,000. [Rickert Decl. Exh. A]⁵

15 **III. ARGUMENT**

16 **A. Trademark Infringement**

17 Because Redbubble has not itself made *any* "use," let alone a potentially infringing
 18 trademark use, of the marks at issue, Plaintiff cannot prevail on direct liability. Because every time
 19 Plaintiff notified Redbubble of specific alleged infringements, Redbubble promptly removed the
 20 identified listings and flagged the Sellers in accordance with Redbubble's repeat infringer policy,
 21 Plaintiff cannot prove contributory infringement. And Redbubble lacks the type of relationship
 22 with or control over third-party Sellers and/or fulfillers to subject Redbubble to liability for
 23 vicarious trademark infringement. Moreover, because none of the Accused Products are exact
 24 copies of products listed in Plaintiff's trademark registrations on which Plaintiff uses its registered
 25 marks, they cannot be "counterfeits" as a matter of law. This issue is paramount, since Plaintiff's
 26 multi-million-dollar statutory damages claim depends on a finding of counterfeiting; with that
 27

28 ⁵ Redbubble's reports are expressed in Australian dollars, which have been converted to USD for
 purposes of this brief at today's exchange rate.

1 issue gone, this case is worth at most \$20,000. [Rickert Decl. Exh. A] (Redbubble objects to
 2 Plaintiff's citation to Toy Depo. Exh. 1049 as hearsay and lacking foundation.)

3 **1. Plaintiff Has Not Proven Direct Trademark Infringement**

4 To prevail on direct infringement, Plaintiff must demonstrate that Redbubble made an
 5 affirmative “use” of a mark “in connection with the sale, offering for sale, distribution or
 6 advertising” of the Accused Products. 15 U.S.C. § 1114(1).⁶ This “use” requirement covers
 7 offering, selling or manufacturing products bearing infringing marks, or applying infringing marks
 8 to advertising materials (15 U.S.C. § 1127); those who just facilitate or enable “use” of infringing
 9 marks cannot directly infringe. *See Tiffany Inc. v. eBay, Inc.*, 600 F.3d 93, 103 (2nd Cir. 2010).

10 This Circuit has held that direct copyright infringement “requires ‘volitional conduct,’”
 11 noting “the unremarkable proposition that proximate causation historically underlines copyright
 12 infringement liability no less than other torts.” *Perfect 10, Inc. v. Giganews, Inc.*, 847 F. 3d 657,
 13 666 (9th Cir. 2017). A plaintiff “must provide some ‘evidence showing [the defendant] exercised
 14 control (other than by general operation of [its website]); selected any material for upload,
 15 download, transmission, or storage; or instigated any copying, storage, or distribution.’” *VHT, Inc.*
 16 *v. Zillow Group, Inc.*, 918 F.3d 723, 732 (9th Cir. 2019) Trademark infringement, like copyright
 17 infringement, is a tort that is implicitly subject to the same “volitional conduct” requirement.

18 Plaintiff cannot show that Redbubble “used” Plaintiff’s registered trademarks. Third-party
 19 manufacturers, not Redbubble, made the Accused Products. [Deshais Decl. ¶¶ 2-11] Third-party
 20 shippers, not Redbubble, delivered the Accused Products. [*Id.* ¶¶ 3, 11] Third-party Sellers, not
 21 Redbubble, offered or sold Accused Products by uploading and listing the products and conveying
 22 title to the purchasers. [Luthra Decl. ¶¶ 4-8; Toy Decl. ¶ 5, Exh. C] Third-party Sellers, not
 23 Redbubble, placed marks on “advertisements” for Accused Products by creating the web page
 24 listings, and third-party ad platforms (like Google), not Redbubble, selected and placed content

25 ⁶ Plaintiff’s false designation of origin and unfair competition claims incorporate the allegations
 26 of and are essentially the same as its direct trademark infringement claim. *See Brookfield Comms., Inc., v. West Coast Enter. Corp.*, 174 F.3d 1036, 1046–47 n.8 (9th Cir. 1999). Its unfair
 27 competition claim is also barred by 47 U.S.C. § 230(c)(1). *Perfect 10, Inc. v. CCBill LLC*, 488
 28 F.3d 1102, 1118 (9th Cir. 2007) (granting summary judgment of no unfair competition). Similarly,
 like direct infringement, dilution requires a showing that the defendant is using the mark in
 commerce. *Jada Toys, Inc. v. Mattel, Inc.*, 518 F.3d 628, 634 (9th Cir. 2007).

1 into blank advertising space purchased by Redbubble.⁷ [Deshais Decl. ¶¶ 4-8; Toy Decl. ¶ 36]

2 In *Ohio State v. Redbubble*, 369 F. Supp. 3d 840, the district court⁸ granted summary
 3 judgment that Redbubble does not sell products or otherwise engage in conduct that could qualify
 4 as direct infringement. The court noted that, unlike print-on-demand companies like CafePress and
 5 SunFrog that print and sell the products offered via their website, “Redbubble essentially offers to
 6 ‘independent artists’ an online platform through which to sell their goods.... Redbubble is not
 7 directly producing the goods.” *Id.* at 846. Instead, the district court analogized Redbubble’s
 8 business model to the Amazon Marketplace, which “has generally not been found directly liable
 9 for direct ... infringement because it merely facilitates sales between other parties.” *Id.* at 844.

10 Cases assessing direct infringement liability for other online marketplaces or transactional
 11 intermediaries have similarly held them immune because they do not sell or otherwise “use” the
 12 marks in question. *See, e.g., Tiffany*, 600 F. 3d at 103 (no direct infringement without possession
 13 of items or direct sale to customers); *Milo & Gabby, LLC v. Amazon.com, Inc.*, 2015 WL 4394673
 14 (W.D. Wash. July 16, 2015) (*Milo & Gabby I*), aff’d 693 F. App’x 879 (Fed. Cir. 2017) (*Milo &*
 15 *Gabby II*) (no direct infringement based on sale of products listed by third parties); *Tre Milano,*
 16 *LLC v. Amazon.com, Inc.*, No. B234753, 2012 WL 3594380 (Cal. App. 2012) (“‘parties [who] act
 17 as intermediaries ... and do not buy and resell the commodities’ ... are not directly liable for
 18 infringement”); *GMA Accessories, Inc. v. BOP, LLC*, 765 F. Supp. 2d 457 (S.D.N.Y. 2011)
 19 (“When parties act as intermediaries..., no sale between them has occurred”). Indeed, Plaintiff has
 20 not cited, and Redbubble is unaware of, any case where an online marketplace that neither makes
 21 nor sells allegedly infringing products has been held liable for *direct* trademark infringement.

22

23 ⁷ Redbubble *facilitates* advertising on behalf of artists by connecting its platform to third party ad
 24 platforms (like Google) through APIs/product feeds but does not itself select or use the content
 25 displayed in those third-party ads. [Toy Decl. ¶ 33-36]

26 ⁸ Although *Ohio State* is clearly the most pertinent authority on direct infringement, Plaintiff
 27 relegates its discussion to a footnote that asserts baldly that the decision was “made without the
 28 benefit of the evidence concerning Redbubble’s operations that is before this Court.” [Mot. at 15 n. 2]
 Instead, Plaintiff repeatedly relies on two Australian trial court decisions involving Redbubble, which
 obviously utilized different legal procedures and standards. These decisions are inadmissible hearsay
 and irrelevant, and therefore should be disregarded. *U.S. v. Sine*, 493 F.3d 1021, 1036 (9th Cir.
 2007) (foreign judgments and findings are inadmissible under both the hearsay provisions of FRE
 801 and because any probative value is outweighed by the prejudicial effect under FRE 403).

1 Instead of addressing these cases, Brandy Melville points to *H-D U.S.A., LLC v. SunFrog, LLC*, 311 F. Supp.3d 1000, 1030 (E.D. Wis. 2018), falsely asserting that “SunFrog offers a similar platform to Redbubble.” [Mot. At 17] However, unlike Redbubble, “SunFrog advertises and sells infringing products, operates printers that print the products, packs them for shipping, ships them, and then processes payment.” 311 F. Supp.3d at 1036. Redbubble does ***none*** of these things.

6 Indeed, the *Ohio State* court distinguished *SunFrog* on precisely this basis. 369 F. Supp. 3d at 846.

7 Plaintiff argues that Redbubble is directly liable as a “seller” under the UCC, yet ignores
8 controlling Section 2106, which defines a “sale” as “the passing of title from the seller to the buyer
9 for a price.” Courts considering copyright and trademark cases have consistently held that a
10 “seller” must hold title; Redbubble never does. *See, e.g., Milo & Gabby II*, 693 F. App’x at 886
11 (Amazon wasn’t seller of products listed by third-parties; it “never held title to the accused
12 products” and “did not control … information or pictures … nor … price”); *Milo & Gabby I*, 2015
13 WL 4394673 at *6 (“Amazon was not the seller” where “third-party sellers retain full title to and
14 ownership”); *see also Tre Milano*, 2012 WL 3594380 at *12 (Amazon is not liable for direct
15 trademark infringement because “Amazon is a service provider, not the seller”).

16 Plaintiff separately asserts, without case law support, that Redbubble “conceded its role as
17 a seller” by “collecting and remitting sales tax to the State of California.” But facilitation of tax
18 collection for Marketplace transactions does not admit anything; the laws in many states,
19 including California, require “marketplace facilitators” like Redbubble to “calculate, collect, and
20 remit sales tax on behalf of sellers.” *See Cal. SB 92*. California’s statutory scheme expressly
21 distinguishes a marketplace facilitator from a “marketplace seller”; the facilitator “is considered
22 the seller and retailer for each sale facilitated through its marketplace” for sales tax purposes only.
23 *Id.* Thus, Plaintiff’s repeated and misleading efforts to distort “admissions” that Redbubble is a
24 “seller” for sales tax purposes, and statements by Redbubble’s parent that Redbubble is a
25 “principal” under Australian law “for accounting purposes only,” should be disregarded.⁹

26 ⁹ The purported “admissions” in Redbubble’s Australian parent company’s annual reports and
27 elsewhere are also inadmissible hearsay. *See Venegas v. Global Aircraft Service, Inc.*, 2016 WL
5349723 at *3 n. 4 (D. Me. 2016) (“to attribute statements of a corporate parent to a subsidiary
28 based on an agency theory, the Plaintiffs … must show that [the parent] was [the subsidiary]’s
agent and that the statements were made within the scope of their agency relationship”).

1 Plaintiff's argument that Redbubble "advertises and offers for sale" products is without
 2 merit, and was properly rejected by the Court in *Ohio State*. As confirmed here [e.g., Deshais
 3 Decl. ¶¶ 9, 11], "this argument ignores the fact that Redbubble is not the one placing Ohio State's
 4 marks on its website. Rather, the marks are uploaded by the independent artists." 369 F. Supp. 3d
 5 at 847. Indeed, because Redbubble never takes title, the products aren't Redbubble's to sell.

6 Plaintiff claims that Redbubble is directly liable because it "affixes designs uploaded by its
 7 users to its model images and creates product listing pages with the new combined images," but
 8 offers no evidence that ***Redbubble*** performs these acts. Rather, the Sellers "affix" their own
 9 designs to blank generic product images provided by Redbubble. Sellers create listings; Redbubble
 10 merely provides a container template for them to fill. Plaintiff's argument that Redbubble
 11 advertises Accused Products on third-party sites is equally meritless. Redbubble merely purchases
 12 "advertising space," without designating what goes in it. [Toy Decl. ¶ 36] Redbubble does not
 13 itself designate, or even have knowledge of the content of, the advertisements that third-party ad
 14 platforms insert. [Toy Decl. ¶¶ 33-36] Plaintiff's claim that Redbubble is "contractually obligated
 15 to advertise" is particularly misleading. Redbubble's Services Agreement, quoted by Plaintiff,
 16 makes clear that Redbubble will "market to," not advertise to, customers. The Marketplace allows
 17 broad access to products created, uploaded, and priced by Sellers, and to which Sellers attach
 18 advertising or marketing keywords to make them easier to find. There is no authority to support
 19 Plaintiff's claim that this clause can serve as a basis for a finding of direct infringement.

20 Finally, Plaintiff erroneously argues that Redbubble is directly liable because it "enables"
 21 transactions, "facilitates" revenue payable to the artists, "instructs" the third-party manufacturers,
 22 or "arranges" delivery of products by third-party shippers. Even if were these claims factually
 23 supported, "facilitating" infringement may constitute *contributory* infringement, but not direct.
 24 See *Coach, Inc. v. Goodfellow*, 717 F.3d 498, 503 (6th Cir. 2013) (distinguishing direct from
 25 contributory liability, which is "imposed on those who facilitate the infringement"); *Tiffany*, 600
 26 F.3d at 103 ("contributory infringement [requires] culpably facilitating the infringing conduct").

27 **2. Plaintiff Has Not Proven Contributory Trademark Infringement**

28 To prevail on contributory trademark infringement, Plaintiff must prove that Redbubble

had “more than a general knowledge or reason to know that its service is being used to sell counterfeit goods. Some contemporary knowledge of which particular listings are infringing or will infringe in the future is necessary.” *Tiffany*, 600 F.3d at 107-09 (granting summary judgment even though infringing listings continued to appear after thousands of infringement notices). *See also Spy Phone Labs LLC v. Google Inc.*, 2016 WL 1089267 (N.D. Cal. 2016) (applying *Tiffany* analysis); *Academy of Motion Picture Arts & Sciences v. GoDaddy, Inc.* (“AMPAS”), 2015 WL 5311085 (C.D. Cal. 2015) (same). A notice letter “is not sufficient to impute knowledge of infringement,” and “use of an identical or similar mark does not necessarily constitute infringement” because marks can be used in ways that create no confusion. *Lockheed Martin Corp. v. Network Solutions, Inc.*, 985 F. Supp. 949, 963 (C.D. Cal 1997); *Spy Phone Labs* (no liability for content specifically identified in notice absent certainty it infringed).¹⁰

The undisputed evidence shows that Redbubble removed listings for the Accused Products promptly every time it received notice of claimed infringement. [Toy Decl. ¶ 26; Rickert Decl. Exh. A] Plaintiff argues that Redbubble is liable nonetheless, because it is “willfully blind” to infringement. But a “willfully blind” defendant “must (1) subjectively believe that there is a high probability that a fact exists and (2) take deliberate actions to avoid learning of that fact.” *Global-Tech Appliances, Inc. v. SEB S.A.*, 563 U.S. 754, 769 (2011). And like knowledge of infringement, “willful blindness” applies only with respect to “specific instances of infringement.” *Viacom International, Inc. v. YouTube, Inc.*, 676 F.3d 19 (2nd Cir. 2012). Redbubble expends significant resources to prevent infringement through proactive policing. [Toy Decl. ¶¶ 9-23; Rickert Decl. ¶¶ 5-6, 8-10] And there is no evidence that Redbubble believed that there were *specific instances of infringement* of Atari’s rights, yet deliberately avoided learning of them.

Despite these efforts, Plaintiff complains that Redbubble will “only address specific infringements for which Redbubble has already received a complaint,” and that “this is the definition of willful blindness.” Even if Plaintiff’s characterization of Redbubble’s activities were accurate (the Toy and Rickert Declarations demonstrate that it is not), *Tiffany* confirms that cannot

¹⁰ This legal principle also undermines Plaintiff’s complaint at page 12 that Redbubble failed to disable the ability of users to use the word “Atari” as a search term or keyword.

1 qualify as willful blindness; eBay admittedly “knew as a general matter that counterfeit Tiffany
 2 products were listed and sold through its website,” but its failure to search for and remove them
 3 was “insufficient to trigger liability.” 600 F.3d at 109-10. Indeed, no authority suggests that a
 4 defendant who proactively polices may be deemed willfully blind simply because a plaintiff
 5 deems the results imperfect; to the contrary, courts consistently deny contributory liability for
 6 “failing to do the policing work that [plaintiff] was required (and in the better position) to do
 7 itself.” *AMPAS*, 2015 WL 5311085 at *48; *see also Lockheed Martin*, 985 F. Supp. at 966
 8 (defendant “has no affirmative duty to police the Internet in search of potentially infringing uses”).

9 Finally, Plaintiff’s claim that Redbubble admitted contributory infringement during the
 10 *Ohio State* appellate hearing, where contributory infringement was not even at issue, is frivolous.
 11 Ohio State had alleged that Redbubble was liable for direct infringement only, disclaiming
 12 contributory infringement. At the hearing, Redbubble’s counsel simply defended the grant of
 13 summary judgment by noting, as had *Coach* and *Tiffany*, that ***to the extent*** facilitating infringing
 14 conduct may give rise to a claim, that claim is for contributory, not direct, infringement. While
 15 Redbubble acknowledged that it facilitates Marketplace transactions, there was no admission that
 16 Redbubble also had the “contemporary knowledge of which particular listings are infringing or
 17 will infringe in the future” needed for contributory infringement even in that case, let alone here,
 18 which involves different marks and no notice provided in the seven years before suit was filed.
 19 Plaintiff’s claim to the contrary is baseless and should be disregarded.

20 3. Plaintiff Has Not Proven Vicarious Trademark Infringement

21 To prevail on vicarious trademark infringement, Plaintiff must establish “that the
 22 defendant and the infringer have an apparent or actual partnership, have authority to bind one
 23 another in transactions with third parties or exercise joint ownership or control over the infringing
 24 product.” *Perfect 10, Inc. v. VISA International Service Ass’n*, 494 F.3d 788, 807-08 (9th Cir.
 25 2007) (citations omitted). Plaintiff has offered no evidence that Redbubble is a partner with any
 26 alleged direct infringer. [Deshais Decl. ¶¶ 4, 11; Toy Decl. ¶ 29] “To demonstrate the existence of
 27 a partnership, a plaintiff must prove: (1) the parties’ sharing of profits and losses; (2) the
 28 parties’ joint control and management of the business; (3) the contribution by each party of

1 property, financial resources, effort, skill, or knowledge to the business; and (4) the parties'
 2 intention to be partners." *Kelly-Brown v. Winfrey*, 2012 WL 701262, at *7 (S.D.N.Y. Mar. 6,
 3 2012), *aff'd in relevant part*, 717 F.3d 295 (2d Cir. 2013). Plaintiff has not done so.

4 Whether Redbubble or its parent company's employees may have occasionally said that
 5 Redbubble "partners" with fulfillers is irrelevant. "Partner" is commonly used colloquially, and
 6 "simply 'calling an organization a partnership does not make it one.'" *Kelly I*, 2012 WL 701262,
 7 at *7. Thus, "off-hand references to [third-parties like customers] as 'partners' [are] insufficient to
 8 exhibit the type of behavior and relationship that can be considered an actual or apparent
 9 partnership" for purposes of establishing vicarious liability. *Louis Vuitton Malletier, S.A. v.*
 10 *Akanoc Solutions, Inc.*, 591 F.Supp.2d 1098, 1113 (N.D. Cal. 2008); *see also Gucci America, Inc.*
 11 *v. Frontline Processing Corp.*, 721 F. Supp. 2d 228 (S.D.N.Y. 2010) ("vague, puffery-like
 12 references to a 'partnership' ... are not enough to support vicarious liability").

13 Plaintiff asserts without support that defining the universe of product types that Sellers can
 14 offer through the Marketplace or visiting manufacturers to assess their general quality exercises
 15 "joint control" over products.¹¹ But this merely establishes that Redbubble has a role in defining
 16 the scope of the Marketplace and its participants. It does not prove "joint control" over the
 17 "appearance and content" of the Accused Products. *See Rosetta Stone Ltd. v. Google, Inc.*, 730
 18 F.Supp.2d 531, 550 (E.D. Va. 2010), *aff'd in relevant part*, 676 F.3d 144, 165 (4th Cir. 2012) (no
 19 vicarious liability absent proof that Google "controls the appearance and content" of infringing
 20 products or use of marks in those products); *Perfect 10, supra* (that direct infringers "operate their
 21 businesses according to defendants' rules and regulations and defendants share the profits,
 22 transaction by transaction," is insufficient to state a claim for vicarious infringement).

23 Finally, Plaintiff argues that "[i]f Redbubble's printers are the sellers, Redbubble binds
 24 them in transactions." But Redbubble has never contended that the fulfillers are sellers; rather, as
 25 set forth above, the third-party users who design and upload the products are. Nor is it the case (as
 26 Plaintiff claims) that "once customers pay Redbubble they are entitled to performance from

27 ¹¹ Plaintiff's claim at p. 20 that Redbubble performs "quality control" or "directs its shippers how
 28 to package and ship the products" is unsupported by the evidence Plaintiff cites, and illustrates the
 liberties that Plaintiff has taken with the truth in characterizing evidence throughout its papers.

1 someone.” To the contrary, both Redbubble and the fulfillers separately and independently have
 2 the right to refuse an order, and they have exercised those rights. [Toy Decl. ¶ 30]

3 **4. Plaintiff Cannot Establish Counterfeiting**

4 Plaintiff cannot establish counterfeiting. A “counterfeit is something that purports to be
 5 something that it is not.” *United Pac. Ins. Co. v. Idaho First Nat. Bank*, 378 F.2d 62, 69 (9th Cir.
 6 1967) (citations omitted). Thus, to prevail on a counterfeiting claim, a plaintiff must prove that
 7 “(1) [defendant] intentionally used a counterfeit mark in commerce; (2) knowing the mark was
 8 counterfeit; (3) in connection with the sale, offering for sale, or distribution of goods; and (4) its
 9 use was likely to confuse or deceive.” *Idaho Potato Comm'n v. G&T Terminal Pack, Inc.*, 425
 10 F.3d 708, 721 (9th Cir. 2005); *Align Tech., Inc. v. Strauss Diamond Insts., Inc.*, 2019 WL 1586776,
 11 at *11 (N.D. Cal. Apr. 12, 2019) (citations omitted) (“counterfeiting is the ‘hard core’ or ‘first
 12 degree’ of trademark infringement that seeks to trick the consumer into believing he or she is
 13 getting the genuine article, rather than a ‘colorable imitation’”).

14 Because “a claim for ‘counterfeiting’ under the Lanham Act must, by necessity, first
 15 establish a claim of trademark infringement,” Plaintiff’s claim fails for the reasons set forth above.
 16 *See Katab Corp. v. Mesriani Law Group*, 2015 WL 2084469, at *3 n. 6 (C.D. Cal. May 5, 2015).
 17 Counterfeiting also requires a showing that defendant used an “identical or substantially
 18 indistinguishable” copy of a mark that is “registered on the principal register … for such goods or
 19 services sold, offered for sale, or distributed and that is in use.” 15 U.S.C. § 1116(d)(1)(B)(i). A
 20 counterfeit must also be a “stitch for stitch copy” of plaintiff’s own products when viewed in the
 21 marketplace (considering such factors as surrounding packaging and any house labels), such that a
 22 consumer “would be tricked into believing that the [Accused P]roduct is actually one of Plaintiff’s
 23 [] products.” *Arcona, Inc. v. Farmacy Beauty, LLC*, 2019 WL 1260625, at *2-3 (C.D. Cal., Mar.
 24 19, 2019) (granting summary judgment of no counterfeiting). *see also Align, supra.*

25 Plaintiff has asserted that Redbubble counterfeited the Atari Mark, but the registration
 26 certificate expressly limits that mark to “the word ‘Atari’ with a Fuji design above the word **within**
 27 **a box**.” [DE# 64-7, Chesnais Exh. A] Neither Plaintiff’s own shirts nor the Accused Products
 28 depict “a box.” Without an “identical” copy of the registered mark, they are not “counterfeits.” *See*

1 Align, *supra* at *11. Similarly, Plaintiff has offered evidence of products using the word PONG in
 2 the phrase “PONG LEGEND,” with a yellow, orange and red design, the Atari logo (not within a
 3 box), and the phrase “I GOT SKILLS.” [DE# 64-56, Cuellar Exh. N] No Accused Product is a
 4 stitch for stitch copy of this product, and they therefore cannot be counterfeits. *Id.*

5 Finally, Plaintiff cannot demonstrate that Redbubble “intentionally used a counterfeit mark
 6 in commerce knowing the mark was counterfeit.” *Idaho, supra*. To the contrary, Redbubble is
 7 unaware of specific designs uploaded and listed for sale by Sellers, including specifically the
 8 designs for the Accused Products, absent notice. [See Deshais Decl. ¶ 11] Redbubble didn’t make
 9 the Accused Products, or even see those products during the manufacturing, sale and shipping
 10 process. [*Id.*] When Plaintiff asserted that specific listings infringed its rights, Redbubble promptly
 11 removed them. [Toy Decl. ¶ 2\69] And Redbubble proactively prevented listings that Plaintiff
 12 might consider infringing from being offered. [Toy Decl. ¶¶ 8-23] There is no evidence to infer
 13 that Redbubble knowingly or intentionally used any mark, let alone a counterfeit mark, or that it
 14 did so knowing that the mark was counterfeit.

15 **5. Plaintiff Cannot Establish Likelihood of Confusion, Which Is an**
 16 **Element of All of Its Lanham Act Claims**

17 To prevail on its trademark claims, Plaintiff must also show that Redbubble’s use of the
 18 two marks at issue causes a likelihood of confusion. Likelihood of confusion is usually analyzed
 19 using the *AMF, Inc. v. Sleekcraft Boats* factors: “(1) strength of the mark; (2) proximity of the
 20 goods; (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing channels used;
 21 (6) type of goods and the degree of care likely to be exercised by the purchaser; (7) defendant’s
 22 intent in selecting the mark; and (8) likelihood of expansion of the product lines.” 599 F.2d 341,
 23 348-49 (9th Cir. 1979). Plaintiff attempts to avoid its burden under *Sleekcraft* by arguing that
 24 Redbubble is a counterfeiter, but counterfeiting is inapplicable here.

25 “Given the open-ended nature of [*Sleekcraft*],... summary judgment on ‘likelihood of
 26 confusion’ grounds is generally disfavored.” *Rearden LLC v. Rearden Commerce, Inc.*, 683 F.3d
 27 1190, 1210 (9th Cir. 2012). Yet Plaintiff offers no evidence or argument on any *Sleekcraft* factor,
 28 effectively conceding that it cannot meet its burden. Plaintiff’s response to Interrogatory No. 4

1 expressly admits that it “is not … aware of any instances of actual confusion.” (Wilson Decl. Exh.
 2 G at 5.) And leaving aside that Redbubble did not itself select *any* putative mark, *see supra*,
 3 Plaintiff’s boilerplate recitation of a putative “intent of Redbubble … to deceive users regarding
 4 Atari’s affiliation” (*Id.* at 6) ignores Redbubble’s “prominent house marks and logos” and
 5 consistent identification of each Seller. *Lindy Pen Co. v. Bic Pen Corp.*, 725 F.2d 1240, 1245 (9th
 6 Cir. 1984). Nor has Plaintiff offered any evidence of the other *Sleekcraft* factors.

7 Plaintiff’s failure to offer any likelihood of confusion argument, or sufficient evidence to
 8 permit a finding in its favor thereon, independently requires that Plaintiff’s motion be denied.

9 **B. COPYRIGHT INFRINGEMENT**

10 As with the Lanham Act claims, there is no evidence that Redbubble engaged in any
 11 volitional conduct that may have violated Plaintiff’s rights under the Copyright Act, as required
 12 for direct infringement. Redbubble cannot be vicariously liable without “both a legal right to stop
 13 or limit the directly infringing conduct, as well as the practical ability to do so.” *Perfect 10, Inc. v.*
 14 *Amazon.com, Inc.*, 508 F.3d 1146, 1173-74 (9th Cir. 2007). Atari has not established infringement
 15 of its copyrights by anyone, because Atari has not proffered the subject matter of its registrations.
 16 And Redbubble is immunized from damages under the safe harbor provisions of the DMCA.

17 **1. Plaintiff Has Not Proven Infringement by Anyone**

18 A claim for direct copyright infringement requires that plaintiffs: “(1) … show ownership
 19 of the allegedly infringed material and (2) … demonstrate that the alleged infringers violated at
 20 least one exclusive right granted to copyright holders under 17 U.S.C. § 106.” *A&M Records, Inc.*
 21 *v. Napster, Inc.*, 239 F.3d 1004, 1013 (9th Cir. 2001); *see also* 17 U.S.C. § 501. To make this
 22 showing, Plaintiff must offer evidence, beyond the registration certificates, of specifically what is
 23 covered by the registration (e.g., what the registrant deposited with the Copyright Office as the
 24 registered work. *Seiler v. Lucasfilm, Ltd.*, 808 F. 2d 1316, 1319 (9th Cir. 1986).

25 Atari moved for summary judgment on two versions of “Atari Greatest Hits,” but neither
 26 were listed either in the Complaint or in response to Redbubble’s Interrogatories. [Wilson Decl.,
 27 Exh. G at 7] Moreover, the two registrations claim derivative works that expressly “exclude[] from
 28 the claim” any preexisting “[o]riginal graphics and audio-visual materials.” [Dkt. 64-9, -10]

1 Derivative protection “extends only to the material contributed by the author of such work, as
 2 distinguished from the preexisting material employed.” 17 U.S.C. § 103(b); *Unicolors, Inc. v.*
 3 *Urban Outfitters, Inc.*, 853 F.3d 980, 990 (9th Cir. 2017) (“copyright protections for a derivative
 4 ... are limited to the changes and contributions made”). Plaintiff’s failure to present any evidence
 5 of the “changes and contributions” included in the two registered works is fatal to its motion. *Id.*

6 Atari’s evidentiary failures run deeper. Although it is an essential element of each
 7 copyright claim, Atari did not produce any evidence of the specific content of the copyrights that
 8 Atari identified in connection with its Complaint. (Wilson Decl. Exhs. E, F (Disclosures); I (RFP
 9 Responses Nos. 16, 20, 22)) Because Atari did not produce evidence of the content of any
 10 registered works, it cannot prevail on its copyright claims as a matter of law. *See Antonick v.*
 11 *Electronic Arts, Inc.*, 841 F. 3d 1062, 1066 (9th Cir. 2016) (copyright plaintiff cannot prove
 12 substantial similarity, and therefore cannot prevail on its claims, without placing the content of the
 13 copyrighted works into evidence); *Seiler, supra* (same).

14 **2. Plaintiff Has Not Proven Direct Copyright Infringement**

15 The second infringement prong – whether alleged infringers violated an exclusive right –
 16 also requires a showing of “volitional conduct” by the defendant that “causes” infringement. *See*
 17 *VHT*, 918 F.3d at 732; *Giganews*, 847 F.3d at 666 (“direct infringement requires ... causation
 18 (also referred to as ‘volitional conduct’) by the defendant”); *CoStar Group, Inc. v. LoopNet, Inc.*,
 19 373 F.3d 544, 550 (4th Cir. 2004) (requiring “conduct by a person who causes in some meaningful
 20 way an infringement”) (emphasis in original); *Wolk v. Kodak Imaging Network, Inc.*, 840 F. Supp.
 21 2d 724, 742 (S.D.N.Y. 2012). As discussed above in the context of Plaintiff’s trademark claim,
 22 Redbubble has not engaged in any such conduct. *See, e.g., Giganews*, 847 F.3d at 668-70 (only
 23 third parties that uploaded content, not defendant, could be liable for direct infringement).

24 Plaintiff’s direct copyright infringement argument identifies only two bases for liability.
 25 First, Plaintiff argues that Redbubble “copies” infringing designs onto model photos, but the
 26 undisputed evidence establishes that third-party Sellers create any copies when they upload an
 27 image. There is no evidence that Redbubble even sees the images, let alone copies them. Second,
 28 Plaintiff asserts that Redbubble “exhibits that newly created infringing image on a product listing

1 page created by Redbubble,” but again, that process is initiated by the user, without direct
 2 involvement by Redbubble. Redbubble’s only role is providing the automated Marketplace where
 3 the alleged infringement took place, which is insufficient for direct liability. *VHT*, 918 F.3d at 732.

4 **3. Plaintiff Cannot Establish Contributory Copyright Infringement**

5 Contributory infringement requires proof that Redbubble “(1) has knowledge of another’s
 6 infringement and (2) either (a) materially contributes to or (b) induces that infringement.” *VISA*,
 7 494 F.3d at 794-95. Contributory copyright infringement requires “actual, specific knowledge of
 8 direct infringement,” or turning a blind eye. *Napster*, 239 F.3d at 1020; *BMG Rights Management*
 9 *LLC v. Cox Communications, Inc.*, 881 F.3d 293, 311-12 (4th Cir. 2018) (same). Contributory
 10 liability for a service provider, in particular, requires that it has “actual knowledge that specific
 11 infringing material is available using its system, and can take simple measures to prevent further
 12 damage to copyrighted works, yet continues to provide access to infringing works.” *Perfect 10 v.*
 13 *Amazon.com*, 508 F.3d at 1172-73.

14 Here, other than a 2011 takedown notice that Redbubble promptly responded to and that is
 15 beyond the statute of limitations, there is no dispute that Redbubble did not have actual, specific
 16 knowledge of any “specific instances of infringement” until Plaintiff identified alleged instances
 17 of infringement in its Complaint. Nor is there any dispute that Redbubble promptly removed the
 18 specific allegedly infringing material that Plaintiff identified. Accordingly, Redbubble cannot be
 19 held liable on Plaintiff’s contributory copyright infringement claim as a matter of law.¹²

20 As with trademark infringement, Plaintiff suggests, without evidence, that Redbubble is
 21 “willfully blind” to direct infringement. But as discussed above, not only does Redbubble
 22 immediately disable allegedly infringing content once becoming aware of it, but it also engages in
 23 extensive proactive efforts identify and intercept, even where it might otherwise have been

24 ¹² Plaintiff devotes half a sentence to “arguing” that Redbubble “induces” infringement because it
 25 “pays a fee for sales made,” but Plaintiff offers no evidentiary support for this claim, nor could it,
 26 since the third-party Seller decides how much, if anything, the Seller will make when the Seller
 27 sets a product’s price. [Luthra Decl. ¶ 6] Nor does hosting a marketplace where a seller can earn a
 28 profit equate to “inducing infringement;” inducement requires conduct that directly encourages
infringement (as opposed to encouraging commerce). *See Metro-Goldwyn-Mayer Studios, Inc. v.*
Grokster, Ltd., 545 U.S. 913, 936-37 (2005) (inducement requires distribution of a device “with
 the object of promoting its use to infringe copyright, as shown by clear expression or other
 affirmative steps taken to foster infringement”).

1 unaware of such infringement in the ordinary course of business. There is simply no evidence that
 2 Redbubble is “willfully blind” to “specific instances of infringement” *See Viacom*, 676 F.3d at 31
 3 (like actual knowledge, willful blindness must apply with respect to “specific instances of
 4 infringement,” and “cannot be defined as an affirmative duty to monitor”).

5 **4. Plaintiff Cannot Establish Vicarious Copyright Infringement**

6 “To prevail on a claim for vicarious copyright infringement, a plaintiff must prove that the
 7 defendant has (1) the right and ability to supervise the infringing conduct and (2) a direct financial
 8 interest in the infringing activity.” *Giganews*, 847 F.3d at 673 (citations omitted). Plaintiff has not
 9 satisfied and cannot satisfy at least the first prong of the test.

10 The “right and ability to supervise” requires “both a legal right to stop or limit the directly
 11 infringing conduct, as well as the practical ability to do so.” *VHT*, 918 F.3d at 746. In *VHT*, Zillow
 12 hosted an online real estate marketplace where users could upload property listings and images.
 13 VHT argued (like Plaintiff here) that Zillow was liable for vicarious infringement when third
 14 parties posted infringing images on its site, arguing that Zillow’s ability to terminate user accounts
 15 and remove infringing listings constituted a “right and ability to supervise.” The court disagreed,
 16 finding “insufficient evidence that Zillow had the technical ability to screen out or identify
 17 infringing VHT photos among the many photos that users saved or uploaded daily.” *Id.* Even if
 18 Zillow were technically able to eliminate infringement, “failure to change its operations to avoid
 19 assisting [users] to distribute ... infringing content ... is not the same as declining to exercise a right
 20 and ability to make [third parties] stop their direct infringement.” *Id.*

21 Plaintiff argues that Redbubble had the right to review listings and terminate infringing
 22 users, relying on *Napster* and *Fonovisa, Inc. v. Cherry Auction, Inc.*, 76 F.3d 259, 263 (9th Cir.
 23 1996). However, the Ninth Circuit has held *Napster* and *Fonovisa* inapplicable where a service
 24 provider lacks “the practical ability” to prevent infringement. Thus, in *Perfect 10 v. Amazon.com*,
 25 508 F.3d at 1174, the court found that Google lacked the right and ability to supervise because
 26 “Google’s software lacks the ability to analyze every image on the internet, compare each image to
 27 all the other copyrighted images that exist in the world ... and determine whether a certain image
 28 on the web infringes someone’s copyright.” *See also VHT, supra* (distinguishing *Napster* where

1 “[o]nce VHT photos were uploaded to the [Zillow] Listing Platform with appropriate certification
 2 of rights, ferreting out claimed infringement … was beyond hunting for a needle in a haystack”).
 3 Here, as in *Perfect 10* and *VHT*, there is no evidence that Redbubble has any technical or practical
 4 way to screen out or identify infringing images from the more than 28,000,000 listings on its site.
 5 Moreover, Redbubble has devoted substantial money and personnel towards ferreting out
 6 infringement on its site. Thus, under *VHT* and its predecessor authority, Redbubble cannot as a
 7 matter of law be liable for vicarious copyright infringement.¹³

8 **5. Redbubble Is Protected by the DMCA Safe Harbor Provisions**

9 Section 512(c) of the DMCA precludes liability for monetary relief, and limits claims for
 10 injunctive relief, if: 1) defendant qualifies as a “service provider,” defined in Section 512(k)(1)(B)
 11 as “a provider of online services or network access, or the operator of facilities therefor”; 2) the
 12 claim arises out of “the storage at the direction of a user of material that resides on a system or
 13 network controlled or operated by or for the service provider”; 3) the provider does not have actual
 14 knowledge that the material is infringing or awareness of facts or circumstances from which
 15 infringing activity is apparent, and upon obtaining such knowledge or awareness (by notice or
 16 otherwise), acts expeditiously to remove or disable access to the allegedly infringing material; and
 17 4) the provider does not “receive a financial benefit directly attributable to the infringing activity,
 18 in a case in which the service provider has the right and ability to control such activity.” 17 U.S.C.
 19 § 512(c)(1). The service provider must also “adopt[] and reasonably implement[], and inform[]
 20 subscribers and account holders of the service provider’s system or network of, a policy that
 21 provides for the termination in appropriate circumstances” of repeat infringers. 17 U.S.C. § 512(i).
 22 The service provider must also designate and identify clearly on its web site “an agent to receive
 23 notifications of claimed infringement.” 17 U.S.C. § 512(c)(2). Redbubble is entitled to safe harbor.

24 (a) **Service provider**

25 Redbubble clearly qualifies as “a provider of online services,” entitled to DMCA safe
 26 harbor protection. A service provider will qualify even if it “modif[ies] user-submitted material to
 27

28 ¹³ While effectiveness is not the test, it is relevant to note that sales of even arguably infringing
 Atari listings have dropped to a trickle (less than \$1,000 over the past two years).

facilitate storage and access,” which Redbubble does not do. *UMG Recordings, Inc. v. Shelter Capital Partners LLC*, 718 F.3d 1006, 1019 (9th Cir. 2013).

(b) **Stored at the direction of the user**

4 Listings are uploaded to the Redbubble Marketplace and stored “at the direction of” third-
5 party Sellers. [Deshais Decl. ¶ 11] Moreover, a service provider is immunized not only for
6 uploading and storing material, but for other activities that it could not have done but for user
7 uploads. *See UMG*, 718 F.3d at 1019-20 (“by reason of storage” element covers not only user-
8 uploaded videos, but also functions those uploads automatically triggered, such as processing and
9 reformatting); *see also Viacom*, 676 F.3d at 39 (“§ 512(c) safe harbor extends to software
10 functions performed ‘for the purpose of facilitating access to user-stored material’”). Like the
11 Amazon Marketplace software, the Redbubble platform software performs functions “for the
12 purpose of facilitating access” to the listings uploaded by third-party Sellers, and therefore
13 satisfies this element. *See, e.g., Milo & Gabby I*, 2015 WL 4394673, at *6 (Amazon Marketplace
14 qualified for DMCA safe harbor protection); *Corbis Corp. v. Amazon.com, Inc.*, 351 F.Supp.2d
15 1090, 1100 (W.D. Wash. 2004) (same).

(c) Notice and Takedown

17 The third element of the DMCA test, that a service provider take down infringing content
18 upon receiving notice, parallels the “knowledge” and “material contribution” elements of
19 contributory infringement. Indeed, a service provider that does not avoid contributory
20 infringement can receive safe harbor under the “notice and takedown” prong. See *CoStar*, 164 F.
21 Supp. 2d at 706-08. For the reasons Redbubble is not liable for contributory infringement (*see*
22 *supra*), it also satisfies the third prong of the DMCA safe harbor test.

(d) Financial Benefit and Right and Ability to Control

24 Redbubble's showing that it lacks the right and ability to control relevant activity is
25 sufficient for safe harbor. 17 U.S.C. § 512(c); *Corbis*, 351 F.Supp.2d at 1109. As discussed above
26 in connection with vicarious infringement, Redbubble satisfies this requirement as interpreted in
27 the context of the Copyright Act in general.

Moreover, the DMCA requires that, beyond the vicarious liability test, the service provider

1 must also “exert substantial influence on the activities of users.” *UMG, supra*; see also *Viacom*,
2 676 F.3d at 32. This requires “something more than the ability to remove or block access to
3 materials posted on a service provider’s website,” or to terminate users’ access. *Columbia Pictures*
4 *Industries, Inc. v. Fung*, 710 F.3d 1020, 1045 (9th Cir. 2013); *UMG, supra*. In *Corbis*, for
5 example, the court found no triable dispute that Amazon.com lacked the right and ability to
6 control infringing activity on its zShop sites where “Amazon is never in possession of the products
7 sold by zShops vendors..., does not preview the products prior to their listing, does not edit the
8 product descriptions, does not suggest prices, or otherwise involve itself in the sale.” See also
9 *Hendrickson v. eBay, Inc.*, 165 F. Supp. 2d 1082 (C.D. Cal. 2001) (similar); *UMG*, 718 F.3d at
10 1030 (video sharing service did not have the ability to control infringing activity, even though “(a)
11 the allegedly infringing material resided on [its] system; (b) [it] had the ability to remove such
12 material; (c) [it] could have implemented, and did implement, filtering systems; and (d) [it] could
13 have searched for potentially infringing conduct”); *Wolk*, 840 F. Supp. at 748 (S.D.N.Y. 2012)
14 (“right and ability to control must take the form of prescreening content, rendering extensive
15 advice to users regarding content and editing user content”).

16 Redbubble's relevant conduct is similar to that of the *Amazon*, *eBay*, *UMG*, and *Wolk*
17 cases. Plaintiff cannot establish the "something more" needed to defeat DMCA protection.

(e) Repeat infringer policy

Finally, the undisputed facts demonstrate that Redbubble satisfies the final requirement for DMCA safe harbor: “adopt[ing] and reasonably implement[ing]” a policy for terminating repeat infringers and communicated that policy to its users. There are no strict requirements for what such a policy must include; indeed, the details of the policy need not even be written down. *See Ventura Content, Ltd. v. Motherless, Inc.*, 885 F.3d 597, 615-16 (9th Cir. 2018). In fact, courts have held that a service provider satisfies this requirement if it informs users that a policy exists, if the policy has “a procedure for dealing with DMCA-compliant notifications,” and “if, under ‘appropriate circumstances,’ the service provider terminates users who repeatedly or blatantly infringe copyright.” *Id.* at 615-17 (quoting *CCBill*, 488 F.3d at 1109).

28 Redbubble has a policy for terminating repeat infringers; notifies users of this policy in its

1 User Agreement; and has terminated repeat infringers under appropriate circumstances. [Toy Decl.
 2 ¶¶ 18-23, Exh. C] Redbubble satisfies this final requirement. *See Motherless*, 885 F.3d at 614-19.

3 **C. DAMAGES**

4 Plaintiff is not entitled to recover statutory or enhanced damages under the Lanham Act
 5 because it cannot prove counterfeiting. Plaintiff also cannot recover any damages because it failed
 6 to disclose the basis or a computation for any damage claim in its Initial Disclosures or discovery;
 7 and cannot recover enhanced damages for willful misconduct because it cannot prove willfulness.

8 **1. Plaintiff's Litigation Misconduct Precludes Damages.**

9 “Rule … 26(a)(1)(A)(iii) requires the disclosure of ‘a computation of each category of
 10 damages claimed by the disclosing party—who must also make available … the documents or
 11 other evidentiary material … on which each computation is based…,’ regardless whether the
 12 opposing party requests such information.” *Ingenco Holdings, LLC v. Ace Am. Ins. Co.*, 921 F.3d
 13 803, 821 (9th Cir. 2019). “‘Rule 37(c)(1) gives teeth to these requirements by forbidding the use at
 14 trial of any information required to be disclosed by Rule 26(a) that is not properly disclosed.’”
 15 *Hoffman v. Constr. Protective Servs., Inc.*, 541 F.3d 1175, 1179 (9th Cir. 2008).

16 Plaintiff’s Initial Disclosures merely listed the damages categories available for copyright
 17 and trademark infringement (actual damages, defendant’s profits or statutory damages), followed
 18 by an averment that it “has not yet quantified the amount of actual damages or wrongful profits
 19 because discovery and likely expert testimony is necessary for that quantification.” [Wilson Decl.,
 20 Exh. E at 2] Although Redbubble produced substantial financial information, including every
 21 order placed for an Accused Product, Plaintiff never quantified its damages or its damages
 22 disclosures, despite generally amending its disclosures the day before the close of fact discovery.
 23 [See Wilson Decl. Exh. F]. Moreover, despite claiming a need for expert testimony in both sets of
 24 Disclosures, Plaintiff never served an expert report that purported to quantify damages.

25 Consistent with Rule 37(c)(1), courts in this Circuit have repeatedly precluded plaintiffs
 26 who failed to make a substantive disclosure under Rule 26(a)(1)(A)(iii) from offering a damages
 27 case at trial. Thus, in *Ingenco*, the plaintiff’s “initial disclosures, which were never supplemented,
 28 never disclosed any damages information related to statutory claims”; the Ninth Circuit upheld

1 exclusion even though plaintiff's Rule 30(b)(6) designee arguably provided that information. 921
 2 F.3d at 821. Even when a “[p]laintiff turned over the [supporting] “evidentiary materials,” but
 3 failed to turn over each computation until the last minute,” exclusion is proper. *Bastidas v. Good*
 4 *Samaritan Hosp. LP*, No. 3:13-CV-04388-SI, 2017 WL 1345604, at *7 (N.D. Cal. Apr. 12, 2017).

5 Plaintiff's flouting of its damages disclosure obligations mandates preclusion.

6 **2. Plaintiff Cannot Establish Willful Infringement**

7 There is no evidence that that Redbubble knowingly or intentionally used an Atari
 8 trademark or copyright. Courts have consistently held that infringement is not willful where, as
 9 here, the defendant reasonably believes that its use is not barred by law. *VHT*, 918 F.3d at 748-49.
 10 In *VHT*, for example, Zillow's user agreement required users uploading listings to “represent that
 11 they ‘have all necessary rights and authority to enter into’ the agreements,” and that the uploaded
 12 content “will not violate the intellectual property rights, or any other rights of any third party.” *Id.*
 13 at 732 (internal quotations omitted). As here, there was no evidence that defendant Zillow selected
 14 any material or initiated its uploading. *Id.* at 734. The Ninth Circuit held that Zillow was not
 15 “‘actually aware’ of its [users'] infringing activity,” despite having received a blanket notice of
 16 infringement from VHT, and reversed the jury's willfulness verdict. *Id.* at 748-49 (quoting
 17 *Evergreen Safety Council v. RSA Network, Inc.*, 697 F.3d 1221, 1228 (9th Cir. 2012)).

18 Like the defendants in *Zillow*, Redbubble was entitled to and did in fact reasonably rely on
 19 representations made by its users that they had the right to use the designs they uploaded to the
 20 site. And like those defendants, there is no evidence that Redbubble was “actually aware” of
 21 specific, ongoing infringing activity; when Redbubble learned of such activity, it has swiftly put
 22 an end to it. Using the language from *Evergreen*, Redbubble “believes reasonably, and in good
 23 faith, that [it] is not infringing.” Indeed, Redbubble has prevailed in both U.S. cases against it that
 24 have gone to judgment. See *Ohio State, supra*; *LTB, LLC v. Redbubble Inc.*, 385 F. Supp. 3d 916
 25 (N.D. Cal. 2019) (granting summary judgment to Redbubble on Lanham Act claims). Redbubble
 26 is thus entitled to a determination of no willfulness or counterfeiting (and a concomitant ruling that
 27 Redbubble cannot be liable for regular or enhanced statutory damages) as a matter of law.

1 **IV. CONCLUSION**

2 For the foregoing reasons, Redbubble's motion for summary judgment should be granted,
3 and Plaintiff's motion for summary judgment should be denied.

4 Dated: May 27, 2020.

COASTSIDE LEGAL
5 KENNETH B. WILSON

6 ZUBER LAWLER & DEL DUCA LLP
7 JOSHUA M. MASUR
8 ZACHARY S DAVIDSON

9 By: /s/ Kenneth B. Wilson

10 Kenneth B. Wilson
11 Attorneys for Defendant
Redbubble Inc.